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Message Text

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ACTION STR-05

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 SSO-00 FEA-01
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08
FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00
PA-01 AID-05 SS-15 ITC-01 TRSE-00 PRS-01 SP-02
OMB-01 NSCE-00 USIE-00 INRE-00 /090 W
----------113322 132238Z /12
O R 131900Z OCT 77
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 1906
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMEMBASSY LONDON

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USMTN USEEC

PASS STR ELECTRICALLY FOR ACTION

E.O. 11652: N/A
TAGS: ETRD, MTN, FR
SUBJECT: FRANCE AND THE MTN WORKING HYPOTHESIS FOR TARIFF CUTS

1. DE MOREL, ACCOMPANIED BY PREVEL, TESSIER, COLMANT AND MOUTON (THE LATTER BEING COLMANT'S NEWLY ARRIVED SUCCESSOR), MET WITH ME AND MY STAFF OCTOBER 13 FOR ONE-AND-A-HALF HOUR DISCUSSION FOCUSED ON THE WORKING HYPOTHESIS FOR TARIFF CUTS. THE DISCUSSION SHOULD MAKE IT EASIER FOR FRANCE TO COME ALONG EVEN THOUGH DE MOREL WAS NOT READY TO SIGN UP TODAY. HIS PRINCIPAL RESERVATION IS THE FEAR THAT A COMMITMENT IS BEING UNDERTAKEN BY A WORKING HYPOTHESIS WITHOUT ADEQUATE LINKAGES TO PROGRESS IN OTHER AREAS OF THE MTN, PARTICULARLY SAFEGUARDS. WE ASSURED
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HIM U.S. ATTACHES AS GREAT IMPORTANCE AS DOES FRANCE TO ACHIEVING AN ACCEPTABLE BALANCED PACKAGE OF RESULTS IN ALL KEY AREAS OF THE MTN, AND THAT WE WOULD BE PREPARED TO MAKE SUCH LINKAGES EXPLICIT EITHER IN THE TEXT OF A COMPREHENSIVE TARIFF PLAN FOR FORMAL ADOPTION OR (AN IDEA HE SUGGESTED) IN SOME KIND OF JOINT DECLARATION BY MAJOR PARTICIPANTS TO ACCOMPANY THE TARIFF PLAN.

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2. DE MOREL MADE IT CLEAR THAT FRANCE STILL HAS A SHORTER TERM VIEW THAN A 10-YEAR PLAN AND, THEREFORE, STRONGLY PREFERRED A MORE MODEST CUT THAN THE SWISS FORMULA REQUIRED, CITING THE FAMILIAR RATIONALE OF THE POOR GENERAL STATE OF ECONOMIES IN EUROPE, THE NEED TO AVOID EXCEPTIONS, AND THE CXT AS ONE OF THE SYMBOLIC ELEMENTS OF CEMENT FOR THE COMMUNITY, ETC. HE LISTENED ATTENTIVELY TO OUR EXPLANATION OF THE NEED TO GIVE A POSITIVE SIGNAL QUICKLY TO THE INVESTMENT COMMUNITY AND TO HOLD OFF PROTECTIONIST FORCES IN ALL OUR COUNTRIES BY SHOWING THE LEADING GOVERNMENTS ARE DETERMINED TO SET IN MOTION A LONG-TERM PROGRAM OF TRADE LIBERALIZATION. WE WERE SOMEWHAT SURPRISED (AND INDEED ENCOURAGED) THAT DE MOREL DID NOT PRESS FOR A CLEAR AGREEMENT NOW ON A TWO-TRANCHE APPROACH OR SPELL OUT IN DETAIL THE ELEMENTS OF CONDITIONALITY TO BE ATTACHED TO STAGING. HE SEEMED MUCH MORE CONCERNED WITH LINKS TO SAFEGUARDS AND CUSTOMS VALUATION. HE SEEMED RECEPTIVE TO OUR ARGUMENTS IN FAVOR OF DEFERRING DECISIONS ON STAGING AND/OR CONDITIONALITY TILL THE LAST PHASE OF THE MTN WHEN THE LINKAGES TO OTHER AREAS OF THE MTN AND THE RESULTS ACHIEVABLE IN EACH OF THOSE AREAS WILL BE CLEAR.

3. IN SUM, OUR POSITIONS, ALTHOUGH STILL SOME WAYS APART, DO NOT SEEM INCOMPATIBLE. WE WENT OUT OF OUR WAY
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TO INDICATE A WILLINGNESS TO ACCOMMODATE THEIR NEED FOR FLEXIBILITY IN PRESENTATIONS IN THE DRAFT LANGUAGE TO BE DEVELOPED.

4. MORE COMPLETE MEMCON IN PREPARATION WILL BE POUCHED ASAP. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, TARIFFS, AMENDMENTS, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GENEVA08724
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Expiration:
Film Number: D770374-0238
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19771066/aaaacdth.tel
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Secure: OPEN
Status: NATIVE
Subject: FRANCE AND THE MTN WORKING HYPOTHESIS FOR TARIFF CUTS
TAGS: ETRD, FR, MTN
To: STATE USEEC
Type: TE
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